

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 6/16/2015	(3) CONTACT/PHONE Suzan Ehdaie, Planner II / 805-781-4974	
(4) SUBJECT Hearing to consider a resolution approving and authorizing submittal of an amendment to the Urban County of San Luis Obispo Program Year 2012, 2014, and 2015 Action Plans for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution approving and authorizing submittal of an amendment to the Urban County of San Luis Obispo Program Year 2012, 2014, and 2015 Action Plans for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).			
(6) FUNDING SOURCE(S) CDBG and HOME	(7) CURRENT YEAR FINANCIAL IMPACT \$299,739 in CDBG \$491,000 in HOME	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { X } Hearing (Time Est. <u>15 mins.</u>) { } Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS { X } Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } N/A Date: <u> </u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Suzan Ehdaie, Planner II, Department of Planning and Building

VIA: Trevor Keith, Deputy Director, Policies and Programs

DATE: 6/16/2015

SUBJECT: Hearing to consider a resolution approving and authorizing submittal of an amendment to the Urban County of San Luis Obispo Program Year 2012, 2014, and 2015 Action Plans for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). All Districts.

RECOMMENDATION

It is recommended that the Board adopt the attached resolution approving and authorizing submittal of an amendment to the Urban County of San Luis Obispo Program Year 2012, 2014, and 2015 Action Plans for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).

DISCUSSION

Reallocation of CDBG Funds under the 2012 and 2014 Action Plans

The County must reallocate CDBG funds from two projects that the County approved under the 2012 and 2014 Action Plans. The two projects are: 1) "San Lawrence Terrace Well Rehab in San Miguel", and 2) "Property Acquisition by the North County Connections". The scope of work for both projects has changed resulting in available unspent CDBG funds. Meeting expenditure deadline is critical to the CDBG and HOME funded projects. The deadline for spending CDBG funds is April 30 of each year. Staff recommends reallocating the unspent CDBG funds on shovel-ready projects. Before reallocating the unspent funds, the County is required to hold a public hearing per the Community Participation Plan.

Staff recommends reallocating CDBG funds from the following two projects under the 2012 and 2014 Action Plans to two projects: 1) San Miguel Fire Hydrants and Wharf Heads Replacement, and 2) the ADA improvements by the City of Atascadero. See Table A for detailed information.

1. "San Lawrence Terrace Well Rehab in San Miguel" (Action Plans 2012 and 2014) – This project is waiting for additional water studies and analysis before formulating a list of actions needed to rehabilitate the water well. At this point, the project is being delayed until these studies are completed and unable to spend the previously allocated CDBG funds.
2. "Property Acquisition by the North County Connections" (Action Plan 2012) – The North County Connections decided to use other funding sources to acquire a property located at 8600 Atascadero Avenue. Therefore, the project has \$55,000 unspent CDBG funds.

Table A: Proposed Reallocation of CDBG Funds

Action Plans	Project Names		
	San Lawrence Terrace Well Rehab in San Miguel	San Miguel Fire Hydrants and Wharf Heads Replacement	Diff.
2012 Action Plan	(21,000)	+21,000	0
2014 Action Plan	(84,000)	+84,000	0
Action Plans	Project Names		
	Property Acquisition by the North County Connections	The ADA improvements by the City of Atascadero	Diff.
2012 Action Plan	(55,000)	+55,000	0

Allocation of CDBG HOME Funds

The County recaptured CDBG and HOME funds from previously funded projects. The recaptured CDBG and HOME funds are called program income. The following old projects generated program income:

1. The Revolving Loan Program by Economic Vitality Corporation (EVC) – This program that is no longer in operation provided loans to small businesses. Over time, the repayment of these loans resulted in the accumulation of \$139,739 in CDBG program income.
2. First Time Homebuyer Program - This program provides down payment assistance loan to qualified low income home buyers. The repayment of the down payment assistance loan generated \$491,000 in additional HOME program income.

Staff recommends the following two affordable housing projects (See Table B below) for the allocations of CDBG and HOME program income. Furthermore, the Homeless Services Oversight Council (HSOC) Housing Subcommittee approved both rental affordable housing projects. The two affordable rental housing projects are considered high priority projects per the 2015-2019 Consolidated Plan. The Humbert Avenue Affordable Housing project by the Housing Authority of San Luis Obispo will provide 20 rental housing units in San Luis Obispo for low income households. The Rolling Hills Apartments, Phase II by People's Self Help Housing Corporation will develop 39 rental affordable housing units in Templeton. The additional program income for the two projects will be reflected in the 2015 Action Plan.

Table B: Proposed Allocations of CDBG and HOME Program Income Funds

Projects	CDBG Program Income	HOME Program Income	Total Funds
Humbert Avenue Affordable Housing by the Housing Authority of San Luis Obispo	\$139,739	\$329,000	\$468,739
Rolling Hills Apartments Phase II by People's Self Help Housing Corporation	\$0	\$162,000	\$162,000

OTHER AGENCY INVOLVEMENT/IMPACT

Staff consulted with the San Miguel Community Services District, the Housing Authority of the City of San Luis Obispo, People's Self-Help Housing Corporation and City of Atascadero. County Counsel approved the resolution as to form and legal effect.

FINANCIAL CONSIDERATIONS

The reallocation will be funded from previously allocated CDBG funds (\$160,000) and restored CDBG (\$139,739) and HOME (\$491,000) funds.

RESULTS

The reallocation of CDBG and HOME funds supports the County's effort in creating a Healthy Community by supporting access to basic necessities, providing rental affordable housing units for low income families, as well as enabling the County of San Luis Obispo to meet its CDBG and HOME timeliness standard. Amendments to the Action Plans are consistent with the countywide goals of promoting prosperous and livable communities.

ATTACHMENTS

1. Resolution